GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1507
ANSWERED ON:27.11.2002
REVIVAL OF SSI IN TAMIL NADU
V. VETRISELVAN

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Government have received requests from various SSIUnions/ Federations of Tamil Nadu for the enhanced support and relaxation in norms for the revival of Small Scale Industrial Sector in Tamil Nadu;

(b) if so, the details of such requests received during the last three years;

(c) the action taken by the Government thereon;

(d) whether the Government have any plans to initiate new subsidy schemes to encourage SSI sector in Tamil Nadu; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OI IN THE DEPARTMENT OF PERSONNEL AND TRAINING,DEPARTMENT OF PENSIONS AND PENSIONERS` WELFA THE MINISTRY OF PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SMT. VASUNDHARA RAJE)

(a) to (c): Government have been receiving representations from time to time from various Small Scale Industrial (SSI) Associations including from the State of Tamil Nadu for providing enhanced support and relaxation in norms for the revival of SSI Sector.The Government announced a Comprehensive Policy Package on 30th August, 2000 to strengthen the small scale sector and enhance its competitiveness domestically and globally. The Package inter alia provides for enhanced fiscal and credit support, better infrastructural and marketing facilities and incentives for technology upgradation. The Reserve Bank of India (RBI) set up a Working Group under the Chairmanship of Shri S.S. Kohli to draw up revised guidelines for rehabilitation of sick SSI units.The Working Group in its report, inter alia, recommended revised definition of sickness of SSI units.Based on the recommendations of the Working Group, RBI has circulated the revised guidelines to the bank for implementation in January, 2002.

(d) & (e): Government has launched Credit Linked Capital Subsidy Scheme for Technology Upgradation of the SSIs to provide 12% capital subsidy on loans for technology upgradation. There also exists a Technology Upgradation Fund Scheme (TUFS) for Textile and Jute Industries which provides for interest reimbursement of 5%. The Government of Tamil Nadu has also launched `New Anna Marumalarchi Thittam` in 385 Blocks in the State, under which subsidy/incentives are provided to Agro based industries set up under the scheme.